

PROVIDER NOTIFICATION

Effective April 1, 2008, the Cabinet for Health and Family Services Department for Medicaid Services (DMS), has selected Health Care Excel (HCE) as the Medicaid Surveillance and Utilization Review System (SURS) contractor. HCE's role will be to provide utilization review of services received by *KyHealth* Choices members and coordinate with the DMS on program policy and system issues. Starting July 1, 2008, HCE will be conducting retrospective audits of Medicaid providers' paid claims. These audits will include analysis of paid claims and appropriateness of billing, as well as medical record reviews. HCE will be working along side the DMS to identify fraud, rule out potential audits, and help to establish a comprehensive approach to provider and recipient utilization review and control.

Title XIX of the Social Security Act, Sections 1902 and 1903, and regulations found at 42 CFR 456, stipulate that utilization review activities of Medicaid services ensure that services rendered are necessary and in the optimum quality and quantity. These federal regulations also require the Kentucky Medicaid agency to have the ability to identify and refer cases of suspected fraud and/or abuse for investigation and/or prosecution. Utilization review safeguards against unnecessary care and services and ensures that payments are appropriate according to the coverage policies established by Kentucky Administrative Regulation (KAR) 907 KAR, chapters 1, 3, and 4.

CHFS staff and the audit staff of HCE will identify providers for potential audits using algorithms, SURS reports available through the Kentucky Medicaid Management Information System (KYMMIS), and/or referral from the OIG, Division of Special Investigations, the DMS, and the Medicaid Fraud Abuse Control Unit (MFCU). The audits may be conducted on-site at the provider location or by requesting the provider to submit documentation to support the claim. During the SUR audit, providers will have the opportunity for education regarding Medicaid billing and program issues. Audits may be announced or unannounced and may be scheduled from one to five days. On completion of the audit, the provider will receive from SUR a written findings letter. As a result of the audit, the provider may be required to refund Medicaid dollars to the State, placed on a Provider Prepayment Plan (PPP), or referred for further investigation.

Health Care Excel is a nonprofit corporation that for over a quarter century has objectively evaluated health-care quality, clinical appropriateness, and outcome assessments. Health Care Excel is the Medicare Quality Improvement Organization (QIO) for Kentucky and Indiana.